

CERTIFIED MAIL: RETURN RECEIPT REQUESTED, #
GENERAL NOTICE LETTER
URGENT LEGAL MATTER - PROMPT REPLY NECESSARY

Ashland Inc.
Stephen L. Spalding
Registered Agent for Ashland Inc.
3475 Blazer Pkwy.
Lexington, Kentucky 40509

**Re: SBA Shipyard Superfund Site, Jennings, Jefferson Davis Parish, Louisiana;
CERCLIS #: LAD008434185; General Notice Letter and Opportunity to Meet**

Dear Mr. Spalding:

The purpose of this letter is to provide Ashland Inc., (hereinafter Ashland Inc., is referred to as “Ashland,” “you” or “your”), with written notice of your potential liability at the SBA Shipyard Superfund Site (Site) located in Jennings, Jefferson Davis Parish, Louisiana. Information available to the U.S. Environmental Protection Agency (EPA) indicates that Ashland is a generator at the Site.

In May 2015, the EPA initiated a removal action at the Site under the Clean Water Act, as amended by the Oil Pollution Act of 1990 (OPA). The EPA has completed the OPA removal action and a Comprehensive Environmental Response, Liability, and Compensation Act (CERCLA) emergency removal action (ER) at the Site. The ER addressed the immediate threat posed by a buried barge with high concentrations of PAHs and wastes.

A Superfund Site is a place that is contaminated with hazardous substances at levels that may present a threat to human health or the environment. Under Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a), potentially responsible parties (PRPs) may be required to perform cleanup actions to protect the public health and welfare or the environment. PRPs may also be responsible for costs incurred by the EPA in cleaning up the Site. PRPs include current and former owners and operators of the Site, as well as persons who sent or transported hazardous substances to the Site for disposal or treatment or who arranged for the disposal or treatment of hazardous substances at the Site.

Ashland Inc., has been identified as a generator of the Site. Enclosure A explains the General Notice and the basis for the EPA’s determination that Ashland is a PRP and offers you the opportunity to meet with

EPA representatives to discuss your liability at the Site. Also included in this letter as Enclosure B is the evidentiary documents, Enclosure C is the Small Business Resource Fact Sheet, Enclosure D is the "Draft Administrative on Consent", Enclosure E is the "Statement of Work" and Enclosure F lists the parties receiving this letter.

Please notify Mr. Kenneth Talton in **writing** at the address indicated in Enclosure A ***within seven (7) calendar days of the date of receipt of this letter*** to indicate your willingness to meet with EPA representatives to discuss your liability at the Site. We encourage you to give this matter your immediate attention and request. Thank you in advance for your cooperation. We look forward to working closely with you in the future. If you have any questions regarding the notice or any of the documentation included, please contact Mr. Talton at 214-665-7475. Questions concerning legal matters should be directed to EPA attorney Mr. Carlos Evans, at 214-665-8184. Thank you for your attention to this matter.

Sincerely yours,

Ben Banipal, P.E.
Associate Director
Technical and Enforcement Branch
Superfund Division

Enclosures:

- A General Notice
- B Evidentiary Documents
- C Small Business Resource Fact Sheet
- D Draft Administrative Order on Consent (AOC)
- E Statement of Work (SOW)
- F Parties Receiving General Notice letter

ENCLOSURE A

SBA SHIPYARD SUPERFUND SITE JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA

GENERAL NOTICE

This Notice is from the U.S. Environmental Protection Agency (EPA). This Notice is directed to you, the Potentially Responsible Party (PRP) of the SBA Shipyard Superfund Site. This Notice does five things:

1. This Notice tells you that you may be responsible for the presence of hazardous substances found at the Site. When we say "Site" or "property" in this Notice, we mean the SBA Shipyard Superfund Site located on the west bank of the Mermentau River at the end of Louisiana Highway 3166 approximately four miles southeast of Jennings, Louisiana and approximately two miles southwest of the Mermentau River. SBA is situated on approximately 98 acres of land located in a rural-industrial area, at 9040 Castex Landing Road, Jennings, Jefferson Davis Parish, Louisiana. The facility is within Section 19 of Range 2W, Township 10S. The facility was used to construct, repair, and clean out barges and other marine vessel during the mid-1960's to the early 1990's. This Notice is issued under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund).
2. This Notice provides background information leading up to the EPA's investigation of the Site and the EPA's activities to determine the source of the contamination.
3. This Notice invites you to meet with EPA representatives to discuss your liability at the Site.
4. This Notice explains that the EPA will consider your ability to pay in determining an appropriate settlement amount.
5. The EPA is providing information regarding small business owners.

NOTICE THAT YOU MAY BE LIABLE

Under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), responsible parties are those who are current owners or operators of a facility, past owners or operators who owned or operated the facility at the time hazardous substances were released or disposed of at the facility, persons who arranged for disposal or treatment at the facility (usually the person(s) who generated the hazardous substance), or persons who selected that facility and transported the hazardous substances to the facility. Section 107(a) of CERCLA states that responsible parties are liable to the United States for the costs it has incurred or will incur conducting response actions at the SBA Shipyard Superfund Site. A PRP is therefore responsible for performing the cleanup action in accordance with the EPA requirements or paying for the cleanup by the EPA and reimbursing the Federal Government for past and future costs of the cleanup activities.

BACKGROUND

The SBA Shipyard Superfund Site (Site) is situated on approximately 98 acres of land located in a rural-industrial area, at 9040 Castex Landing Road, Jennings, Jefferson Davis Parish, Louisiana. The facility is located in south Jennings, LA and bordered to the north by residents, south and west by wetlands, and to the east by the Mermentau River. Access to the property is restricted with fencing and locked gates.

SBA Shipyards, Inc., (SBA) was incorporated in the state of Louisiana on June 2, 1965, for the purpose of construction, repair, retrofitting, cleaning of barges and other marine vessels. SBA operated a barge cleaning and barge repair facility at the Site from 1965 to 1993. The facility is now inactive and abandoned.

Barges serviced at the Site typically held diesel, coal tar, crude oil, gasoline and asphalt. Wastes from the barge cleaning operations were managed in a waste management area that included four impoundments, a land treatment unit (LTU), and storage tanks. The wastes consisted of petroleum hydrocarbons which are the primary contaminants. The hydrocarbons were separated from the water into surface impoundments that were known as the Oil Pit, Water Pit 1, Water Pit 2 and Water Pit 3. Water was recycled to barge cleaning and some of the water was converted to steam for the cleaning operations.

Numerous attempts were made to bio-remediate and close the impoundments which began in 1989. In 1991 the bioremediation was determined to be unsuccessful. Land treatment of wastes continued through 1993.

On December 9, 2002, SSIC Remediation, L.L.C., (SSIC) entered into an Order and Agreement for Interim Measures/Removal Action (IM/RA) of Hazardous/Principal Threat Wastes at SBA Shipyards, Inc., pursuant to Resource Conservation Recovery Act (RCRA) Section 3008(h) with EPA. Approximately 33.8 million pounds of oils, waxes and sludges, pumpable oily material and oily tank heels, 70 tons of contaminated debris, and 88 tons of recyclable scrap steel were removed from the Site under the IM/RA.

As part of the IM/RA, the Oil Pit and wastes from the storage tanks were stabilized and solidified for off-site disposal. Approximately 750,000 gallons of uncontaminated pond water were pumped from the former Water Pits to the drainage ditch that drains to the Mermentau River. The emptied Water Pit was then used to receive treated storm water from the partially buried barge. Pumpable oil materials were removed and buried which was then used to store contaminated storm water prior to treatment and discharge to the emptied Water Pit.

In September 2012, the Louisiana Department of Environmental Quality (DEQ) referred the Site to EPA for potential response action. In May 2013, EPA conducted a Preliminary Assessment of the site and the final report which is dated June 3, 2013, confirmed the contamination of the site referenced above. On October 23 and 25, 2013, the United States Coast Guard responded to a release from an on-site buried barges.

As mentioned in the transmittal letter for this notice, EPA has completed the OPA removal action and the emergency removal action at the Site.

OPPORTUNITY TO MEET

The EPA will provide you an opportunity to meet with EPA representatives to discuss your liability. If you wish to participate in such a meeting, please notify Mr. Talton.

ABILITY TO PAY SETTLEMENTS

The EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. In accordance with Section 122(g)(7) of CERCLA, 42 U.S.C. § 9622(g)(7), EPA will review financial information that you submit in order to determine whether you have an inability or a limited ability to pay response costs incurred at the Site. As part of this review, EPA will take into consideration your overall financial condition and demonstrable constraints on your ability to raise revenue.

Based upon the financial information that you may submit, EPA will determine whether it can qualify for a reduction in the settlement amount and/or an alternative payment method within the meaning of Section 122(g)(7) of CERCLA, 42 U.S.C. § 9622(g)(7).

If you believe that you qualify for a reduction in any settlement amount and/or alternative payment amount under the criteria described in the paragraphs above, please contact Mr. Talton, at 214-665-7475 for information on “Ability to Pay Settlements.” In response, you will receive a package of information about the potential for such settlements and an information request for your relevant financial information, and you will be asked to submit financial records including business federal income tax returns. If EPA concludes that you have a legitimate inability to pay the full amount of the response costs, EPA may offer a schedule for payment over time or a reduction in the total amount demanded from you.

Also, please note that because EPA has a potential claim against you, if your financial status changes in any significant way, e.g., filing for bankruptcy, you must include EPA as a creditor. The EPA reserves the right to file a proof of claim or an application for reimbursement of administrative expenses.

To assist you in preparing a proposal and in negotiating with EPA concerning this matter, EPA is providing the following information as Enclosures to this letter:

1. Draft Administrative Order on Consent (Enclosure D)
2. Statement of Work (Enclosure E)
3. List of Parties Receiving Notice Letter (Enclosure F)

RESOURCES AND INFORMATION FOR SMALL BUSINESSES

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law via the Internet at:

<http://www.epa.gov/swerosps/bf/sblrbra.htm>

and review the EPA guidance regarding these exemptions at:

<http://www.epa.gov/compliance/resources/policies/cleanup/superfund>

The EPA has created a number of helpful resources for small businesses. The EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers, which offer various forms of resources to small businesses. You may inquire about these resources at www.epa.gov. In addition, the EPA Small Business Ombudsman may be contacted at www.epa.gov/sbo. Finally, EPA developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act (SBREFA), which is enclosed with this letter (Enclosure C).

YOUR RESPONSE TO EPA

In additional to oral notification, please notify Mr. Talton in **writing** at the address indicated below ***within seven (7) calendar days of the date of receipt of this letter*** to indicate your willingness to meet with EPA representatives to discuss your liability at the Site. **If the EPA does not receive your written response within seven (7) calendar days, the EPA will then take whatever actions are necessary to abate the potential threat to human health and the environment posed by contaminants on the property.**

Your response to this letter and questions regarding the matters in this letter should be directed to:

Mr. Kenneth Talton, Enforcement Officer
Superfund Enforcement Assessment Section (6SF-TE)
U.S. EPA, Region 6
1445 Ross Avenue
Dallas, TX 75202-2733
talton.chuck@epa.gov
(214) 665-7475

If you or your attorney have legal questions pertaining to this matter, please direct them to:

Mr. Carlos Evans, Attorney
Office of Regional Counsel (6RC-S)
U.S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
evans.carlos@epa.gov
(214) 665-8184

The discussions of fact or law in this Notice are meant to help you understand CERCLA and the EPA's actions at the Site. The discussions of fact and law are not final positions on any matter discussed in this Notice.

ENCLOSURE B

**SBA SHIPYARD SUPERFUND SITE
JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA
GENERAL NOTICE LETTER**

EVIDENTIARY DOCUMENTATION

Invoices and/or Marine Chemist Certificates

ENCLOSURE C

**SBA SHIPYARD SUPERFUND SITE
JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA
GENERAL NOTICE LETTER**

SMALL BUSINESS RESOURCES FACT SHEET

ENCLOSURE D

**SBA SHIPYARD SUPERFUND SITE
JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA
GENERAL NOTICE LETTER**

DRAFT ADMINISTRATIVE ORDER ON CONSENT (AOC)

ENCLOSURE E

**SBA SHIPYARD SUPERFUND SITE
JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA
GENERAL NOTICE LETTER**

STATEMENT OF WORK (SOW)

ENCLOSURE F

**SBA SHIPYARD SUPERFUND SITE
JENNINGS, JEFFERSON DAVIS PARISH, LOUISIANA
GENERAL NOTICE LETTER**

PARTIES RECEIVING GENERAL NOTICE LETTER

Ashland Inc.
Stephen L. Spalding
Registered Agent for Ashland Inc.
3475 Blazer Pkwy.
Lexington, Kentucky 40509

Ashland Inc.
Attn: Legal Department
50 East Rivercenter Blvd.
Covington, Kentucky 41012

Canal Barge Company, Inc.
William Murphy
Registered Agent
835 Union St.
New Orleans, Louisiana 70112

Canal Barge Company, Inc.
1801 Engineers Road
Belle Chasse, Louisiana 70037

Michael A. Chernekoff
Partner
Jones Walker LLP
1001 Fannin Street, Suite 2450
Houston, Texas 77002-6707

Martin Operating Partnership L.P.
on behalf of itself, as successor to Martin Gas
Marine, and on behalf of L&L Oil and Gas Services LLC ("L&L") and
Talen's Marine & Fuel, LLC
Registered Agent
CT Corporation System (c)
1200 S. Pine Island Road
Plantation, Florida 33324

Martin Operating Partnership L.P.
on behalf of itself, as successor to Martin Gas
Marine, and on behalf of L&L Oil and Gas Services LLC ("L&L") and
Talen's Marine & Fuel, LLC
4200 B Stone Road
Kilgore, TX 75662

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Marine, and on behalf of L&L Oil and Gas Services LLC ("L&L") and
Talen's Marine & Fuel, LLC
Chris Booth
General Counsel
4200 B Stone Road
Kilgore, TX 75662

Michael A. Chernekoff
Partner
Jones Walker LLP
1001 Fannin Street, Suite 2450
Houston, Texas 77002-6707